

## Message Text

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PAGE 01 HAVANA 00097 132028Z

ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 L-03 H-01 PA-01 PRS-01

STR-05 AGRE-00 /068 W

-----081147 132031Z /63

R 131840Z SEP 77

FM USINT HAVANA

TO SECSTATE WASHDC 87

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EO 11652: N/A

TAGS: EPAP CU

SUBJ: CUBAN TOBACCO PRODUCTION/EXPORTS

1. USINT OFFICER (GLASSMAN), SEPTEMBER 12, CALLED ON JORGE PERERA CASTRO, ACTING DIRECTOR OF CUBATABACO, EXCLUSIVE CUBAN EXPORTER OF TOBACCO, FOR REVIEW OF CUBAN PRODUCTION AND EXPORT PROSPECTS. PERERA ACKNOWLEDGED THAT CUBAN PRODUCTION AND EXPORTATION OF RAW TOBACCO, CIGARS AND CIGARETTES WOULD SHOW ONLY SMALL INCREASE IN PERIOD UP TO 1980. CUBANS, WISHING TO CONCENTRATE ON HIGH QUALITY EXPORTS, WOULD INTENSIFY CARE AND IRRIGATION OF CURRENT CHOICE PINAR DEL RIO AND LASVILLAS ACREAGE, RATHER THAN MOVING INTO MORE MARGINAL FIELDS. (COMMENT: STRESS ON QUALITY, RATHER THAN QUANTITY, APPARENTLY MOTIVATED BY MINIMUM EXPORT COMMITMENT TO COOMECON--LESS THAN TEN PERCENT OF TOTAL EXPORTATION, ACCORDING TO PEREA--AND SENSE THAT CUBAN SHARE OF FREE MARKET HELD BY VIRTUE OF QUALITY EDGE. FYI USING HAS SEEN SUBSTANTIALLY HIGHER USG ESTIMATES OF COMECON EXPORT SHARE END FYI).

2. PERERA VOLUNTERED THAT CUBATABACO WAS STUDYING COMMERCIAL PROSPECTS IN US MARKET, INCLUDING POTENTIALLY DIFFICULT QUESTION OF SUBSTANTIAL DIFFERENCE BETWEEN MFN AND NON-MFN TOBACCO TARIFFS. POSSIBILITY FOR PARTICIPATION IN US MARKET LIMITED, HOWEVER,  
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PAGE 02 HAVANA 00097 132028Z

BY RESTRICTED AVAILABILITY OF HIGH QUALITY CIGAR WRAPPER (CAPA) TOBACCO. GIVEN THIS LIMITATION, CUBANS COULD ONLY ENTER US MARKET INITIALLY WITH RELATIVELY SMALL VOLUME OF HIGH QUALITY/COST PRODUCTS, PRINCIPALLY CIGARS. INITIAL VOLUME OF SIX TO SEVEN MILLIN CIGARS (UNDER 10 PERCENT OF US MARKET) SEEMS POSSIBLE, WITH ULTRA-HIGH QUALITY, CURRENTLY NON-EXPORTED COHIBAS (CASTRO'S PERSONAL CIGARS) AS POSSIBLE LEAD-OFF. THIS MARKETING STRATEGY

CALCULATED TO COUNTER ACCUSATIONS THAT QUALITY OF CUBAN PRODUCTION DOWN. (FYI CUBANS VOLUNTEERED THAT THEY HAD NO INTEREST IN MARKETING RAW TOBACCO IN US).

3. PERERA SAID THAT CUBANS EXPECTED ONLY SMALL-SCALE INCREASE IN DEMAND FROM SOVIETS AND EE IN NEXT FEW YEARS, PRINCIPALLY IN VIRGINIA-TYPE TOBACCO CIGARETTES.

4. ACTION REQUESTED: AS ASIDE, PERERA REMARKED THAT HE UNDERSTOOD US AUTHORITIES WERE CHANGING DOMESTIC FEDERAL TAX ON TOBACCO PRODUCTS. HE ASKED IF USINT COULD CONFIRM THIS INFORMATION. PLEASE PROVIDE US WITH INFORMATION ON THIS MATTER.  
LANE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOBACCO, EXPORTS, PRODUCTION DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 13-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977HAVANA00097  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770332-0033  
**Format:** TEL  
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**Line Count:** 75  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 9b470548-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1298601  
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**Status:** NATIVE  
**Subject:** CUBAN TOBACCO PRODUCTION/EXPORTS  
**TAGS:** EPAP, ETRD, CU, US  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/9b470548-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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